

MINUTES
ALABAMA REAL ESTATE APPRAISERS BOARD
RSA UNION BUILDING
100 NORTH UNION STREET
SUITE 370
MONTGOMERY, ALABAMA
January 16, 2004

MEMBERS PRESENT:

Mr. Mandell Tillman
Mr. Clifford Odom
Mr. James Davis
Mr. Wilder Cheney
Mr. Steve Martin
Mr. Leston Stallworth
Mr. Otis Stewart, Jr. (arriving at 8:57 a.m.)
Mrs. Myra Pruitt
Mr. Jon B. Blissitte

OTHERS PRESENT:

Mr. J.W. Holland, Jr.
Mrs. Lisa Brooks
Ms. Neva Conway

GUESTS PRESENT:

Mr. Ray Rossell

1.0 With quorum present Mr. Tillman, Chairman called the meeting to order at 8:15 a.m. The meeting was held at the RSA Union Building, 100 N. Union Street, 5th. Floor Conference Room, Montgomery, Alabama.

1.1 The meeting was opened with prayer by Mr. Martin and then the Pledge of Allegiance.

2.0 Members present were Mr. Mandell Tillman, Mr. James Davis, Mr. Otis Stewart, Jr. (arriving at 8:57 a.m.), Mr. Clifford Odom, Mr. Wilder Cheney, Mr. Leston Stallworth, Mrs. Myra Pruitt Mr. Jon B. Blissitte and Mr. Steve Martin.

At this time the Board members introduced themselves and asked the guest to do the same.

3.0 On motion by Mr. Davis and second by Mr. Stallworth the regular

minutes for November 21, 2003 were approved as written. Motion carried by unanimous vote.

- 3.2 Ms. Conway asked the Board to review a letter included in the Board books requesting an extension to complete required education to comply with a disciplinary matter from Mr. Ray Rossell. On motion by Mr. Davis and second by Mr. Cheney the Board voted to approve the extension. Motion carried by unanimous vote.

Ms. Conway also asked the Board to review a letter included in their books requesting an extension until February 4 and 5, 2004 to complete the required education to comply with a disciplinary matter from Mr. Ira Betts. On motion by Mr. Davis and second by Mr. Cheney the Board voted to approve the extension. Motion carried by unanimous vote.

- 4.0 Ms. Conway informed the Board that the Regular Legislative Session was scheduled to start on February 4, 2004 and with their permission she would ask Sen. Larry Means to pre-file our agency bill in the Senate and Rep. Ron Grantland to pre-file the bill in the House. The Board gave Ms. Conway permission to proceed with the pre-filing for our bill.

Ms. Conway informed the Board she had done some research on whether state agencies could hire lobbyists and that she found an Executive Order from Governor Fob James that prohibits state agencies from hiring lobbyists.

- 5.0 On motion by Mr. Stallworth and second by Mr. Davis the following applications were voted on as listed. Motion carried by unanimous vote.

- 5.1 **Trainee Real Property Appraiser applications approved:** Anna F. Ashley, James Ball, Jr., Mary M. Ball, Michael Barrios, Brandon J. Beard, Steven Bledsoe, Josh Brock, Alan M. Darling, Jerry H. Dodson, Mick C. Fieldbinder, John P. Garrison, Sharon Goldman, Glenn Heatherly, James L. Hudspeth, Belinda L. Jones, Laci Kizziah, Gregory M. Mann, Lisa M. Marshall, Gerald P. McCrory, Dennis R. McLevaine, Carol R. Mize, James D. Moss, Justin W. Norton, Destin K. Riggins, Clayton K. Speed, James S. Sprayberry, Frank E. Stanley, Kaci L. Watts, Alison J. Weston, Timothy J. Whitlow, Sherry A. Wright. On motion by Mr. Cheney and second by Mrs. Pruitt the Board voted to approve John D. Hartman (Misdemeanor). Motion carried by unanimous vote. On motion by Mr. Cheney and second by Mr. Martin the Board voted to approve

Duane C. Nelson (Misdemeanor). Motion carried by unanimous vote. On motion by Mr. Cheney and second by Mrs. Pruitt the Board voted to approve Bradley D. Stocks (Misdemeanor). Motion carried by unanimous vote. **Application denied:** On motion by Mr. Martin and second by Mr. Odom the Board voted to deny Melanie Walker (Misdemeanor). Motion carried by unanimous vote.

5.2 **State Registered Real Property Appraiser applications approved:** Sterling A. Brothers, George B. Hammond.

5.3 **Licensed Real Property Appraiser applications approved:** Bonnie L. Burgess (Recip.)(GA), Rosellen Coggin, Tammy L. Doss (Recip.)(GA), Anthony T. Stinson. **Applications deferred:** Jason H. Hill, John C. Johnson. **Application denied:** Kathryn A. Smith.

5.4 **Certified Residential Real Property Appraiser applications approved:** Susan D. Ables (Recip.)(MS), Allan E. Bredice (Recip.)(MA), Donna N. Carter, James S. Cashion (Recip.)(TN), Carlton P. Cobb, Edward M. Grove, Timothy G. Hastings (Recip.)(GA), Karla M. Herrman, Robert H. Howard, Jerry Hall, Sandra H. Odom, Roy B. Stodghill. **Applications deferred:** Mike D. Jackson, William S. Whisenhunt. **Application denied:** Evan G. Malone.

5.5 **Certified General Real Property Appraiser applications approved:** Joseph C. Magdziarz (Recip.)(GA), Matthew M. Magdziarz (Recip.)(GA), Sylvinita Mooring (Recip.)(GA), Mark W. Schwobe (Recip.)(GA). **Application deferred:** Ricky D. Church.

6.0 Mr. Holland gave the financial report informing the Board that we were 25% into FY 04 and 22% into budget expenditures. Mr. Holland informed the Board there were no negative trends, which could not be reconciled at this time. Mr. Holland informed the Board that expenditures were down \$25,000 from last year mainly because we have one less employee in our support staff. He also informed the Board that our 606 Fund was down by \$88,000 from same period last year. Mr. Holland projects the 606 Fund will go down approximately \$50 or \$60 thousand every year and if our agency bill passes it will go down even more. Mr. Holland informed the Board that our receipts are more than last year because of late deposits this Fiscal Year. On motion by Mr. Cheney and second by Mr. Blissitte the Board voted to accept the financial report as read.

6.1 On motion by Mrs. Pruitt and second by Mr. Davis the following education courses and instructor recommendations were approved,

deferred or denied as indicated:

APPRAISAL INSTITUTE - CHICAGO

Previously Approved:

(CE) Introduction to Income Capitalization – 7 Hours
(Instructor: Jack Bailey)

Both Course and Instructor Approved

(CE) Appraising Manufactured Housing – 7 Hours
(Instructor: Richard Heyn)

Both Course and Instructor Approved

(CE) Mathematically Modeling real Estate Data – 7 Hours
(Instructor: Jim Sanders)

Both Course and Instructor Approved

**INTERNATIONAL ASSOCIATION OF ASSESSING OFFICERS,
IAAO**

**Instructor Seeking Approval to Teach Previously Approved
Courses:**

(CE) Course 500: Assessment of Personal Property – 30 Hours
(Instructors: Jewette Farley)

Instructor Approved

**NATIONAL ASSOCIATION OF INDEPENDENT FEE
APPRAISERS, NAIFA**

Initial Application:

(CE) 1.3b Mobile/Manufactured Home Review – 7 Hours
(Instructor: Henry Dunkin, Michael T. Orman)

Both Course and Instructors Approved

THE FOUNDATION OF REAL ESTATE APPRAISERS, FREA

Initial Application:

(LIC) 15-hour National USPAP – 15 Hours
(Instructor: C. Ross Acheson)

Both Course and Instructor Deferred

(CE) 7-hour National USPAP – 7 Hours
(Instructor: C. Ross Acheson)

Both Course and Instructor Deferred

Motion carried by unanimous vote.

Mr. Davis informed the Board that the Education Committee was working on a review sheet for Board members to use when reviewing sample appraisals.

6.2

The Board reviewed the following disciplinary reports:

AB-02-100, AB-03-09: On November 6, 2003 **James Williams, R00506**, a Certified Residential Real Property Appraiser signed a Consent Settlement Order in connection with the real property and improvements identified as 1411 E. Riviera Street, Mobile, Alabama (AB-02-100) and 5980 Nicholas Drive N., Eight Mile, Alabama (AB-03-09). Terms of the consent settlement include: a public reprimand; a \$1,600 administrative fine; completion of a Board approved 15-hour USPAP course with exam; and completion of a Board approved 15-hour Sales Comparison Approach course with exam. The violations identified in the reports are detailed as follows:

AB-02-100: Licensee failed to employ proper methodology in the analysis of the Sales Comparison Approach; failed to disclose the differences between the subject property and the comparable sales, and failed to make adjustments for the differences in the sales grid; failed to describe and analyze a Sales Contract pending on the subject property at the time of the appraisal or in the alternative failed to report the efforts made to obtain a contract and why the terms of the pending contract could not be disclosed; produced a misleading appraisal report by failing to consider or report a pending sales contract on the subject property for \$60,000 less than the estimated value; failed to provide a narrative to support the analysis of the subject relative to the contract price; failed to exercise reasonable diligence in developing and reporting the subject appraisal; failed to disclose in the Certification the significant assistance provided by the Trainee Appraiser in developing and reporting the appraisal; falsely certified the performance of an interior and exterior inspection of the subject property and an exterior inspection of all the comparables utilized in the subject appraisal report; failed to provide proper supervision for the Trainee Appraiser in the development and communication of the subject appraisal report; and mislead the client by reporting the final estimated value of the subject property \$60,000 higher than the subject sale price by using superior properties in superior neighborhoods as comparables and not reporting the pending sales agreement on the subject property.

AB-03-09: Licensee failed to employ accepted methodology in the analysis of and adjustments to the comparable sales used in the

subject report; failed to disclose the differences between the comparable sales (stick-built homes) and the subject property (manufactured home) and failed to make adjustments for the differences in the sales grid; failed to exercise reasonable diligence in developing the subject appraisal; used foreclosed sales, which are not arms-length sales, as comparables for the subject property; failed to provide proper supervision for the Trainee Appraiser in the development and communication of the subject appraisal report; and provided a misleading appraisal report. The following standards, rules, regulations and statutes were violated: Ethics-Conduct; Standard 1-1(a); 1-4(a); 2-1(a); 2-1(b); 2-2(b)(ix); USPAP, 2001 Ed.; §34-27A-11(e), Code of Alabama, 1975; §34-27A-20(a)(7), Code of Alabama, 1975.

AB-02-108; AB-02-110: On November 18, 2003 **T.L. Inman, R00148**, a Certified Residential Real Property Appraiser signed a Consent Settlement Order in connection with the real property and improvements identified as 8005 1st Avenue S., Birmingham, Alabama (AB-02-108) and 1241 Indiana Street, Birmingham, Alabama (AB-02-110). Terms of the consent settlement include: a public reprimand; a \$1,600 administrative fine; and completion of a Board approved 15-hour USPAP course with exam. The violations identified in the report are detailed as follows:

AB-02-108: Licensee failed to maintain true copies of written reports, documented on any type media, in the subject property workfile; developed and reported the subject appraisal in a careless and negligent manner; failed to properly identify the problem to be addressed and accurately understand the nuances of the local market and the supply and demand factors relating to the specific property type and location; failed to be aware of, understand, and employ those recognized methods and techniques that are necessary to produce a credible appraisal; and committed substantial errors of commission that significantly affected the subject appraisal and resulted in the communication of a misleading appraisal report. The following standards, rules, regulations and statutes were violated: Ethics-Record Keeping; Competency Rule; Standard 1-1(a); 1-1(b); 1-1(c); USPAP, 2001Ed.; §34-27A-20(a)(6), Code of Alabama, 1975; §34-27A-20(a)(7), Code of Alabama, 1975; §34-27A-20(a)(8), Code of Alabama, 1975.

AB-02-110: Licensee improperly removed a prior sale of the subject from the subject report because of the low sales price at the instruction of the underwriter; failed to maintain true copies of written reports, documented on any type media, in the subject

property workfile; and included inaccurate information in the subject appraisal report. The following standards, rules, regulations and statutes were violated: Ethics-Conduct; Ethics-Record Keeping; Standard 2-3; USPAP, 2001Ed.

AB-02-120: On November 10, 2003 **Jim Fitch, III, R00477**, a Certified Residential Real Property Appraiser signed a Consent Settlement Order in connection with the real property and improvements identified as 787 Cluster Springs Road, Gardendale, Alabama. Terms of the consent settlement include: a public reprimand and a \$500 administrative fine. The violations identified in the report are detailed as follows:

Licensee developed and reported a real estate appraisal for a fee while his license to appraise real estate in Alabama was in a non-renewed status in violation of the Alabama Real Estate Appraisers Act and the Alabama Real Estate Appraisers Administration Code. The following standards, rules, regulations and statutes were violated: §34-27A-3(a)(1), Code of Alabama, 1975; §34-27A-3(a)(2), Code of Alabama, 1975; Alabama Real Estate Appraisers Board Administration Code, §780-X-14-.10.

On motion by Mr. Davis and second by Mrs. Pruitt the Board voted that Public Reprimands should be discarded after five years. With Mr. Martin and Mr. Tillman opposing and Mr. Stewart abstaining the motion carried.

Mr. Holland discussed with the Board the investigative status charts and noted we were down to 52 open complaint cases on hand. Ms. Conway gave the following breakdown of the 16 complaints in due process: 10 cases to set for hearings before the Administrative Law Judge, 6 reports on Ms. Conway's desk.

6.2.1 Ms. Conway discussed the letter included in the Board books from Ms. Judith Haney regarding Ameriquest Mortgage Company. Ms. Conway reported a referral had been made to the Attorney General's White Collar Crime Unit and the Banking Dept. No action taken by the Appraisers Board.

The Board reviewed Probable Cause Summary on **AB-02-104:** On motion by Mr. Davis and second by Mr. Stallworth the Board voted that probable cause did exist and to follow investigators recommendation to proceed with formal investigation. Motion carried by unanimous vote.

The Board reviewed Probable Cause Summary and Recommended

Disposition on **AB-03-46**: On motion by Mr. Martin and second by Mr. Cheney the Board voted that probable cause did exist and to follow investigators recommendation to proceed with formal investigation. Motion carried by unanimous vote. On motion by Mr. Martin and second by Mr. Davis the Board voted to follow investigators recommendation and issue a Letter of Warning. Motion carried by unanimous vote.

The Board reviewed Probable Cause Summary and Recommended Disposition on **AB-03-48**. On motion by Mrs. Pruitt and second by Mr. Stallworth the Board voted that probable cause did exist and to follow investigators recommendation to proceed with formal investigation. Motion carried by unanimous vote. On motion by Mr. Davis and second by Mr. Odom the Board voted to follow investigators recommendation and issue a Letter of Warning. Motion carried by unanimous vote.

The Board reviewed Probable Cause Summary on **AB-03-53** and **AB-03-77**. On motion by Mr. Cheney and second by Mr. Blissitte the Board voted that probable cause did exist and to follow investigators recommendation to proceed with formal investigation. Motion carried by unanimous vote.

Board reviewed Probable Cause Summary and Recommended Disposition on **AB-03-54** and **AB-03-55**. On motion by Mr. Davis and second by Mrs. Pruitt the Board voted that probable cause did exist and to follow investigators recommendation to proceed with formal investigation. Motion carried by unanimous vote. On motion by Mrs. Pruitt and second by Mr. Blissitte the Board voted the follow the investigators recommendation and issue a Letter of Warning. Motion carried by unanimous vote.

The Board reviewed Probable Cause Summary and Recommended Disposition on **AB-03-64** and **AB-03-65**. On motion by Mr. Martin and second by Mr. Cheney the Board voted that probable cause did exist and to follow investigators recommendation to proceed with formal investigation. Motion carried by unanimous vote. On motion by Mr. Cheney and second by Mrs. Pruitt the Board voted to follow investigators recommendation and issue a Letter of Warning. Motion carried by unanimous vote.

The Board reviewed Probable Cause Summary on **AB-03-68**. On motion by Mr. Cheney and second by Mr. Stallworth the Board voted that probable cause did exist and to follow investigators recommendation to proceed with formal investigation. Motion carried by unanimous vote.

The Board reviewed Probable Cause Summary and Recommended Disposition on **AB-03-76**. On motion by Mr. Martin and second by Mr. Odom the Board voted that probable cause did exist and to

follow investigators recommendation to proceed with formal investigation. Motion carried by unanimous vote.

The Board reviewed Probable Cause Summary on **AB-03-78** and **AB-03-79**. On motion by Mr. Davis and second by Mr. Stallworth the Board voted that probable cause did not exist and to dismiss. Motion carried by unanimous vote.

The Board reviewed Probable Cause Summary on **AB-03-80**. On motion by Mrs. Pruitt and second by Mr. Davis the Board voted that probable cause did not exist and to dismiss. Motion carried by unanimous vote.

The Board reviewed Probable Cause Summary and Recommended Disposition on **AB-03-82** and **AB-03-83**. On motion by Mr. Odom and second by Mr. Blissitte the Board voted that probable cause did not exist and to dismiss. Motion carried by unanimous vote.

The Board reviewed Probable Cause Summary on **AB-03-91**. On motion by Mr. Martin and second by Mr. Odom the Board voted that probable cause did exist and to follow investigators recommendation to proceed with formal investigation. Motion carried by unanimous vote.

The Board reviewed Probable Cause Summary and Recommended Disposition on **AB-03-93**. On motion by Mr. Stallworth and second by Mrs. Pruitt the Board voted that probable cause did exist and to follow investigators recommendation to proceed with formal investigation. Motion carried by unanimous vote. On motion by Mr. Stallworth and second by Mr. Blissitte the Board voted to follow investigators recommendation and issue a Letter of Warning. Motion carried by unanimous vote.

The Board reviewed Probable Cause Summary on **AB-03-94**. On motion by Mrs. Pruitt and second by Mr. Davis the Board voted that probable cause did exist and to follow investigators recommendation to proceed with formal investigation. Motion carried by unanimous vote.

The Board reviewed Probable Cause Summary on **AB-03-95** and **AB-03-96**. On motion by Mr. Stallworth and second by Mr. Davis the Board voted that probable cause did exist and to follow investigators recommendation to proceed with formal investigation. Motion carried by unanimous vote.

The Board reviewed Probable Cause Summary on **AB-03-99** and **AB-03-100**. On motion by Mr. Stallworth and second by Mr. Davis the Board voted that probable cause did not exist and to dismiss. Motion carried by unanimous vote.

The Board reviewed Probable Cause Summary on **AB-03-101**. On

motion by Mr. Martin and second by Mr. Cheney the Board voted that probable cause did exist and to follow investigators recommendation to proceed with formal investigation. Motion carried by unanimous vote.

- 6.2.2 There were no anonymous complaints to be reviewed at this time.

At 9:15 a.m. on motion by Mr. Martin and second by Mr. Cheney the Board went into Executive Session to discuss the good name and character of an individual.

At 9:30 a.m. the Board went back into Regular Session.

- 6.2.3 The Board reviewed Consent Settlement Orders on **AB-03-02**, **AB-03-03** and **AB-03-81**. On motion by Mr. Davis and second by Mr. Odom the Board voted to accept these consent settlement orders. Motion carried by unanimous vote.

- 6.3 No reciprocal agreements to report since last meeting.

- 6.4 The following reciprocal licenses were issued since last Board meeting: Susan D. Ables (R)(MS), Allan E. Bredice (R)(MA), Bonnie L. Burgess (L)(GA), James S. Cashion (R)(TN), Tammy L. Doss (L)(GA), Timothy G. Hastings (R)(GA), Joseph C. Magdziarz (G)(GA), Matthew M. Magdziarz (G)(GA), Sylvinita Mooring (G)(GA), Mark Schwobe (G)(GA).

- 7.0 The temporary permit report was provided to the Board for their information.

- 8.0 Mr. Holland stated to the Board that he and the investigative staff would revise the Trainee Orientation based on Board feedback and also start procurement action for PowerPoint training and presentation.

Mr. Holland asked the Board for approval to send Mr. Randy Robertson to the AQB Instructor Certification Program Course. On motion by Mr. Martin and second by Mrs. Pruitt the Board voted to approve Mr. Robertson to attend the course. All in favor were Mr. Martin, Mrs. Pruitt, Mr. Davis, Mr. Stallworth and Mr. Odom. Those opposed were Mr. Stewart, Mr. Blissitte, Mr. Cheney and Mr. Tillman. Motion carried.

Mr. Holland included in the Board books a UPS account number to be used by Board members to mail information to our office.

Mr. Holland informed the Board that he included copies of performance evaluations, salary schedule, and job descriptions on

all of our staff members plus an organizational chart for their information.

Mr. Holland included in the books for Board information e-mail from Mr. Lorren Perdue concerning his status as a USPAP instructor.

Mr. Odom handed out copies of ANSI Z765-1996, American National Standards for Single-Family Residential Buildings Square Footage-Method of Calculating for Board information. On motion by Mr. Odom and second by Mr. Davis the Board voted to amend our Administrative Rules to adopt ANSI in Alabama, include copies in the Trainee Orientation program being developed, put on our website and in the next newsletter. Motion carried by unanimous vote.

On motion by Mr. Davis and second by Mrs. Pruitt the Board voted to charge \$50 per person for the Trainee Orientation. Motion carried by unanimous vote.

Mr. Holland discussed with the Board a letter from Mr. Elvin Cook requesting an exception to the rule that an applicant must test within in a 12-month period after approval but offered no extenuating circumstances. On motion by Mr. Stallworth and second by Mrs. Pruitt the Board voted to deny the request for exception. Motion carried by unanimous vote.

Reconsideration Hearings

11:00 a.m. – **W. Gregory Weiss** – T Applying for R

At 11:10 a.m. on motion by Mr. Blissitte and second by Mr. Cheney the Board voted to go into Executive Session to discuss the good name and character of an individual.

At 11:12 a.m. the Board went back into Regular Session.

On motion by Mr. Blissitte and second by Mr. Cheney the Board voted to approve Mr. Weiss to sit for the Certified Residential Real Property Appraiser exam. Motion carried by unanimous vote.

11:30 a.m. – **Karlos Cady** – Applied for T. Ms. Cheryl Kill, Administrator for the City of Birmingham accompanied Mr. Cady for this hearing.

At 11:45 a.m. on motion by Mr. Cheney and second by Mr. Stallworth the Board voted to go into Executive Session to discuss the good name and character of an individual.

At 11:55 p.m. the Board went back into Regular Session.

On motion by Mr. Stewart and second by Mr. Cheney the Board voted to approve Mr. Cady to sit for the Trainee Real Property Appraiser exam. Motion carried by unanimous vote.

The next Board meeting will be March 19, 2004.

9.0 Meeting adjourned at 12:00 noon

Sincerely,

Lisa Brooks
Executive Secretary

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APPROVED: _____
Mandell Tillman, Chairman